Mr. P. J. George : ആകെ മൂന്ന യൂണിയൻ സംഘങ്ങൾ രജിസ്റ്റർ ചെയ്തിട്ടുണ്ട്. അവരുടെ അപേക്ഷകളാണ് കിട്ടിട്ടുള്ളതു്.

Mr. K. M. Ibrahim : സർ, ഇന്നലെപ്പോലും ഒരു ചോദ്യമുണ്ടായിരുന്നതുകൊണ്ടു് ബഹുമാനപ്പെട്ട മെമ്പർ മയവായി വിചാരിച്ചാൽ പറയുവാൻ സാധിക്കും.

Mr. P. J. George: അപേക്ഷകൾ വരുന്നതു് രജിസ്ട്രാരുടെ അടുക്കലാണ്.

Mr. K. M. Ibrahim : രജിസ്റ്റർ ചെയ്യാത്ത ഒരപേക്ഷയെങ്കിലും ഉണ്ടെന്നു പറയുവാൻ ഗവൺമെൻറിനു സാധിക്കുമോ ?

Mr. P. J. George : അന്വേഷിക്കാതെ പറയുവാൻ തരമില്ല.

LAND MORTGAGE BANK—LOANS—GRANTING OF.

78. Mr. T. V. Subramania Ayyar: Will the Government be pleased to state:—

(*a*) what is the maximum amount of loan that may be granted by the Land Mortgage Bank to one individual borrower;

(*b*) will the Government consider the desirability of raising the amount of loan that may be granted to individual borrowers;

(*c*) what is the rate of interest now charged on loans from the Land Mortgage Bank;

(*d*) having regard to the hardship now undergone by the agriculturists, has the Government any idea of reducing the rate of interest now charged ?

Mr. P. J. George: (*a*) Rs. 5,000.

(*b*) The Board have already considered and resolved not to increase the amount at present.

(*c*) Six per cent.

(*d*) Not at present.

Mr. K. M. Ibrahim: When compared, Sir, with the interest return on the capital outlay, for example Railway, Harbour, etc., is not 6 per cent too extraordinary? Can it not be reduced to 4 per cent? That is a suggestion.

Mr. President: That is not the hon'ble member's concern.

Mr. K. M. Ibrahim : Some advice can be given at least.

Mr. P. Govinda Menon : What is the rate of interest fixed by the Land Mortgage Bank in Madras ?

Mr. A. Sivarama Menon : I think it is 6 per cent.

Mr. T. V. Subramania Ayyar : It was recently reduced to 5 per cent.

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Mr. C. R. Iyyunni: May I know the rate of interest at which the debentures have been floated by the Land Mortgage Bank?

Mr. A. Sivarama Menon: 4 per cent.

Mr. K. Kochukunjan Kaimal: Is it not advisable to raise the number of instalments so that there may be easy instalments for the debtors to repay?

Mr. P. J. George: The matter may be referred to the Board.

Mr. V. J. Mathai: Is not the Bank indebted to the Government, for the loans advanced to the Bank at the rate of 3½ per cent?

Mr. P. J. George: There is an overdraft allowance in Bank.

Mr. K. Kochukunjan Kaimal: Has the Government thought of raising the instalments? Now the number of instalments is 20. Is it not advisable having regard to the low price of the agricultural produce, and I find as a matter of fact it is with very great difficulty that the debtors are paying up the instalments, to make it more easy by raising the instalments from 20 to a reasonable number, as is obtaining in other part? I think in British India the instalments are more than 20. Anyhow having regard to the level of price of produce it would be better to raise instalments to about 30 or 40.

Mr. P. J. George: Government have not yet considered, but when it comes from the Board it will be considered.

Mr. K. R. Viswambharan: Are the Government aware of any defaulters?

Mr. A. Sivarama Menon: There may be some. But as a matter of fact, there are no defaulters under the new lending under the Land Mortgage Bank.

Mr. P. Achyuta Menon: Will the Government be pleased to state the minimum time generally taken to give money on a petition?

Mr. A. Sivarama Menon: It varies. Sometimes it is given in about 3—4 months and sometimes it may go even to 5—6 months. Anyhow on average it may take 6 months.

Mr. P. Achyuta Menon: Has the Government noted that very great loss is caused by the postponement of the payment of loans?

Mr. A. Sivarama Menon: It cannot be helped because various procedure have to be adopted. For example, investigation,

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valuation and examination of the title deeds, etc., it is not possible for the Government to do all these without some delay. There is no avoidable delay.

Mr. K. Kochukunjan Kaimal: Do the Government think that price of the produce will hardly be sufficient to pay the interest and the instalment ?

Mr. A. Sivarama Menon: That matter is very carefully gone into before the loan is granted, in connection with ascertaining the repaying capacity of the borrower this question is very carefully gone into.

Mr. K. Kochukunjan Kaimal: Is the income of the borrower taken into account in ascertaining the capacity of the borrower ?

Mr. A. Sivarama Menon: The income of the property proposed to be mortgaged together with the other earnings of the borrower—these two are taken into account.

Mr. K. Kochukunjan Kaimal: That is, persons who do not possess other capacity apart from the land may not be given the loan upon the security ?

Mr. A. Sivarama Menon: Unless the property is sufficiently valuable to enable the borrower to repay the instalment regularly.

Mr. K. R. Viswambharan: The Hon'ble the Minister was pleased to state that there were no defaulters in the Bank, but has any application for time been received from any debtors ?

Mr. A. Sivarama Menon: I may explain the position in detail. When the Land Mortgage Bank came into operation, this Bank had to take over the lending by the previous machinery. Government had already lent money through a special agency. In connection with those lending there are a few defaulters. These transactions also had to be taken up by the Land Mortgage Bank, i. e., by the Special Lending Agency. With regard to the loans granted by the Land Mortgage Bank after they began their transactions there have been no defaulters as far as I remember.

Mr. T. V. Subramania Ayyar: Considering the safety of the investment and also the great distress now undergone by the agriculturists, will the Government sympathetically consider the question of reducing the rate of interest to 5 per cent?

Mr. A. Sivarama Menon: Government is not the authority to come to a decision like this. There is the Board of Directors.

Mr. T. V. Subramania Ayyar: Will the Government be pleased to see that the rate is reduced as the Government have got vested interest in the Bank?

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Mr. A. Sivarama Menon: No vested interest. I do not know what the hon'ble member means by 'vested interest'.

Mr. T. V. Subramania Ayyar: Is it not possible for the Government to influence the Bank to reduce the rate of interest?

Mr. A. Sivarama Menon: I do not believe that word is quite suitable—to use 'influence'. It is really a matter between the Board of Directors and the shareholders of the Bank.

Mr. T. V. Subramania Ayyar: Have not the debtors indirectly a voice?

Mr. A. Sivarama Menon: If they are shareholders they can certainly at a general body meeting bring a resolution, pass and then send it to the Board for consideration.

Mr. C. R. Iyyunni: Will the Government be pleased to state, Sir, the rate of interest on other agricultural loans granted before the Land Mortgage Bank came into operation? Was it not less than 6 per cent?

Mr. A. Sivarama Menon: There are different kinds of transactions. I do not think it will be right to follow the practice followed in regard to agricultural loans proper. That is not followed in connection with the Land Mortgage Bank rules. In the agricultural loans the Government are aware that there is a lower rate and I think it is 3 per cent. That is another facility still being given. Those who go to the Land Mortgage Bank will certainly have to pay the interest according to the rules prescribed by the Land Mortgage Bank.

Mr. C. R. Iyyunni: Will the Government be pleased to say the rate of interest prescribed under the State Aid to Industries Act?

Mr. A. Sivarama Menon: In that I think it is 5 per cent. But in special cases there is provision also to reduce it for special reasons.

Mr. C. R. Iyyunni: If we remember correctly it is 3 per cent. Any way 6 per cent is very much.

Mr. M. K. Devassy: Will it not be easier to raise the number of instalments instead of lowering the rate of interest? There appears to be some difficulty, because the Land Mortgage Bank has to pay 4 per cent interest. And there is only a margin of 2 per cent. The Bank will have to make provision for the expenses incurred in the management of the Bank itself or if at all it is possible for the Bank to do any favour to the debtor class

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it will be in the line of raising the number of instalments and not in the other way. That is what I think.

Mr. A. Sivarama Menon: These observations I am sure will be very useful for the consideration of the Board of Directors and if it is the idea of the hon'ble members Government have no objection to forward a copy of the interpolations and answers with regard to this matter to the Board of Directors.

Mr. C. R. Iyyunni: Thank you very much. Is not the Government aware that certain debtors who applied to the Land Mortgage Bank and having got the money sanctioned are being harassed by the creditors by not receiving money from the Bank?

Mr. A. Sivarama Menon: No.

Mr. C. R. Iyyunni: If such cases are pointed out, will the Government be pleased to amend the Act so as to enable the debtor to pay the creditor?

Mr. A. Sivarama Menon: If there is any difficulty in the legislation and if it is made clear we would surely take the necessary steps. As far as Government know, no such difficulty has been experienced.

Voting of Demands for Grants.—(*cont.*)

3. 1—Land Revenue Rs. 2,75,342.

Mr. K. Achyuta Menon: I rise to request the grant of Rs. 2,75,342 under 1—Land Revenue. I do not think a speech is called for from me at this stage. The demand generally follows the last year's figures. Aat any rate there are no noticeable departure. Various other questions of policy have been discussed by way of cut motions. The House will be pleased to sanction the allotment.

CUT-MOTION No. 1.

Mr. A. V. Moothedan: *To reduce the allotment of Rs. 93,361 for Diwan Peishkar's Office establishment by Re. 1. (To request the Government to provide cattle grazing lands in the Villages of Pariyaram, Kodassery and Elinjipra).* Sir, I think no speech is necessary. Even in primitive times only two things were required for animals and men—fresh air and water. After the advent of civilization and the increase of population, open space also has become necessary. In the case of human beings you call it a park In the case of cattle you call it grazing grounds. 99 per cent of the population are agriculturists and every family has got 6 or 7 cattle and no open space for

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